

CONCLUSION

In the modern world, internationalization is a natural part of the company's development. It becomes even more common in a small country. Small to medium-sized enterprises that have very limited home markets but still want to expand, usually consider to start exporting their goods or services to other countries. The current thesis is concentrated on Estonian upholstered furniture manufacturer whose goal is to enter the Japanese market.

The research problem of this paper was resulted from the wish of the company's management to expand to Asia, more specifically to Japan. The management had an idea that Japan is a good potential export country for the company regarding acquisition power and demand of trendy products, but the overall knowledge of the market suitability was missing. Based on that it was necessary to acquire a thorough knowledge of the potential Japanese market. The purpose of the current thesis is to get an answer to the following question: What are the possibilities for Softrend on the Japanese market?

First of all the theoretical part explained the concept of internationalization and the most widespread model of internationalization: the Uppsala model. Also separate types of goals and motives that occur when planning the entry to the foreign market were pointed out. Moreover, different risks, barriers and entry modes to the foreign market were analyzed. Based on this, it was found that direct exporting is the most popular way of entry mode. It also emerged from the analysis part, specifically the interview with the Japanese expert, that the most common way to enter the Japanese market is through direct export.

In the second part of the thesis the overview and the activities of Softrend both on Estonian and foreign markets were introduced. Moreover, the concept of public space furniture was presented. The company's potential to enter the new market and advantages of the firm were investigated using the SWOT analysis. Japanese market was analyzed with the help of PESTE analysis. Thereupon, the conclusion and suggestions that are suitable for Softrend were made.

To solve the problem and answer the question of the current thesis, the qualitative research method was used. The primary data was collected during the interviews with Softrend Project Sales Manager and Export Manager as well as with the Project Manager of the Japanese market from EAS. Secondary data was gathered observing the in-house documents and official website of the company. Based on all this data the findings and discussions were introduced in the end of the case study part. The conducted analysis established the company's opportunities and potential problems that may arise when operating on the Japanese market.

Within the framework of the research, the finest suggestions and results were found in order to solve the posed problem of the thesis. The results of the research showed that there is a good potential and great possibilities for Softrend on the Japanese market. First of all the European design, good quality and environmentally friendly products are influential for Japanese people. The economic situation and technological advancement of Japan are benefits for Softrend in a long-term, because the company is always trying to improve its products and due to a small company they are flexible and able to customize the products according to the market needs. Softrend does not see any direct competition on the Japanese market. Of course there are many other furniture companies there, but Softrend is looking at it more as being side by side, not having a competition. The consistency and already having some knowledge about the Asian market is also a plus for the firm. Moreover, Japan does not require import tax for the furniture that is exported from Estonia. Japan is also trying to lessen the paper work and bureaucracy and make property buying and business registration much easier process for the foreigners.

The potential in Japanese market for Softrend is big and there are other topics to cover when planning the entry to Japan. The author of the Master's thesis suggests other subjects for further research, as this one was concentrated more on the primary steps and realizing the potential of the market. First of all it would be beneficial to analyze with the management the furniture fair that took place in Japan in November. Make notes, realize the expectations and analyze the weaknesses. Another part would be to make a research of the success on the market in one year to have a better picture of the entry mode, demand of the customers and additional risks that may arise.